

**4 PAGES**

THOMAS A. WILLOUGHBY, State Bar No. 137597  
LAUREN M. KAWANO, State Bar No. 309273  
FELDERSTEIN FITZGERALD  
WILLOUGHBY PASCUZZI & RIOS LLP  
500 Capitol Mall, Suite 2250  
Sacramento, CA 95814  
Telephone: (916) 329-7400  
Facsimile: (916) 329-7435  
e-mail: [twilloughby@ffwplaw.com](mailto:twilloughby@ffwplaw.com)  
e-mail: [lkawano@ffwplaw.com](mailto:lkawano@ffwplaw.com)

Proposed Attorneys for Debtor in Possession

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re:

RUSSELL WAYNE LESTER, an  
individual, dba Dixon Ridge Farms,  
  
Debtor in Possession.

CASE NO.: 20-24123-E-11

Chapter 11

DCN: FWP-2

Date: September 1, 2020  
Time: 1:30 p.m.  
Courtroom: 33 – Judge Ronald H. Sargis  
501 I Street, 6<sup>th</sup> Floor  
Sacramento, CA

**DECLARATION OF RUSSELL BURBANK IN SUPPORT OF DEBTOR IN  
POSSESSION'S EMERGENCY MOTION FOR AN ORDER  
(A) AUTHORIZING INTERIM AND FINAL USE OF CASH COLLATERAL;  
(B) GRANTING REPLACEMENT LIENS; AND (C) SCHEDULING FINAL  
HEARING PURSUANT TO BANKRUPTCY RULE 4001**

I, Russell Burbank, declare as follows:

1. I am a Senior Managing Director LLP ("BPM"), a full service audit, tax and consulting firm with over 50 partners and multiple offices throughout California, and I am also the Financial Advisor of Russell Lester, an individual, doing business as Dixon Ridge Farms (the "Debtor in Possession" or "Dixon Ridge Farms"). My responsibilities as Financial Advisor of the Debtor in Possession include advising Dixon Ridge Farms' management regarding the farm's financial condition and financial outlook and assisting with cash management. I make this declaration in support of the Debtor in Possession's motion for entry of an order that (i)

1 approves the interim use of cash collateral at the hearing; (ii) authorizes the use of cash collateral  
2 on terms prescribed by the Court; (iii) sets a hearing on further uses of cash collateral; and  
3 (iv) grants such other and further relief as the Court deems just and proper under the  
4 circumstances (“Motion”). All terms not otherwise defined shall have the same meaning as in  
5 the Motion.

6         2. I am a Certified Turnaround Professional and have been, among other similar  
7 engagements, a financial or restructuring advisor to a 60,000 BPD integrated refining and  
8 marketing company; a 750-ton integrated paper mill; a \$150 million dairy cooperative; a \$750  
9 million agriculture products trading company; and a \$100 million semiconductor and photocell  
10 manufacturer. I also have served as interim CEO of a \$15 million electronic components  
11 manufacturer and a \$75 million oil products refining and marketing company. I have been  
12 Chapter 11 Trustee of a 1,500 head dairy; Chapter 11 Plan Administrator of a \$175 million  
13 mortgage fund; and Operating Receiver of a \$20 million telecom equipment company. I have  
14 also acted as a Liquidating Trustee for numerous venture backed companies in software, medical  
15 devices, life sciences, aerospace, financial services, pharmaceuticals, telecommunications,  
16 consumer products and electronics technologies following asset sales and/or orderly wind-  
17 downs.

18         3. I am over 18 years of age. If called as a witness, I could and would testify from  
19 my own personal knowledge with respect to the matters set forth in this Declaration. Except as  
20 otherwise noted, this Declaration is based upon my personal knowledge of the operations and  
21 finances of the Debtor in Possession, information learned from my review of relevant documents  
22 and information supplied to me by the Debtor in Possession and the Debtor in Possession’s other  
23 advisors.

24         4. On or about August 15, 2020, I was approached by the Debtor in Possession’s  
25 bankruptcy counsel regarding its need for a Financial Advisor with restructuring and bankruptcy  
26 experience, and on or about August 18, 2020, I interviewed with Mr. Lester, the Debtor in  
27 Possession’s co-owner. On or about August 20, 2020, my firm was retained by Dixon Ridge  
28 Farms as its Financial Advisor.

1           5.       The Debtor in Possession has requested that BPM continue as its Financial  
2       Advisor under its Chapter 11 Bankruptcy case. I have invested numerous hours reviewing and  
3       analyzing the Debtor in Possession's capital structure, vendor and client relationships, and  
4       financial projections, and I believe BPM is well-qualified and able to act as the Debtor in  
5       Possession's Financial Advisor in a cost-effective, efficient, and timely manner.

6           6.       As part of BPM LLP's engagement by the Debtor in Possession, I have become  
7       familiar with the Debtor in Possession's current financial condition and the value of the Debtor  
8       in Possession's assets. As of the Petition Date, the Debtor in Possession is indebted  
9       approximately \$9.2 million to First Northern Bank of Dixon ("First Northern Bank") which the  
10      Debtor in Possession granted a security interest in the Debtor in Possession's inventory,  
11      equipment, accounts receivable, cash, and real property known as the Putah Creek Road  
12      property.

13          7.       As of August 30, 2020, the Debtor in Possession's current cash totaled  
14      approximately \$33,518.68. This sum consists of \$3,445.35 of First Northern Bank's collateral.  
15      The Debtor in Possession intends to open two debtor in possession accounts today, including a  
16      tax account and an account from which to pay the pre-petition payroll.

17          8.       As of the Petition Date, the estimated going concern value of First Northern  
18      Bank's collateral is approximately \$24,103,420.

19          9.       The Debtor in Possession requests the Court authorize a replacement lien in favor  
20      of First Northern Bank and the Debtor in Possession's other secured creditor, Prudential  
21      Insurance Company of America ("Prudential") and authorize the use of cash collateral of First  
22      Northern Bank on an interim basis through September 16, 2020, for necessary expenses in the  
23      amount of \$166,325 plus a 15% variance for emergencies during the pre-harvest period,  
24      pursuant to the Budget attached as Exhibit F to the Exhibit Document filed in support of the  
25      Motion.

26          10.      BPM produced the Budget with the assistance of the Debtor's employees. BPM  
27      reviewed numerous financial statements and data provided by the Debtor in Possession and  
28      interviewed the Debtor in Possession's employees.

/s/ Russell K. Burbank  
 RUSSELL K. BURBANK